



INITIAL PUBLIC COMMENTS
OF
NORTHERN INDIANA PUBLIC SERVICE COMPANY
BEFORE THE
INDIANA UTILITY REGULATORY COMMISSION
IN RESPONSE TO PROPOSED
CUSTOMER SERVICE RIGHTS & RESPONSIBILITIES RULES,
IURC RULEMAKING #04-02
LSA DOCUMENT #04-144

November 12, 2004

The Northern Indiana Public Service Company ("NIPSCO") hereby submits its initial comments in response to the Indiana Utility Regulatory Commission's ("Commission") proposed rules setting forth utility customers' rights and responsibilities. While the Commission included within this rulemaking proceeding new customer service rights and responsibilities rules for water utilities, as well as amendments to existing rules for telecommunications and sewage disposal utilities, NIPSCO's comments address directly only the new rules proposed for electric and gas utilities, which rules are to be promulgated at 170 IAC 4-1.2 and 5-1.2.

Before commenting on specific provisions found in the proposed rules, NIPSCO offers an observation concerning the process utilized in this rulemaking. The Commission has a variety of tools at its disposal once it has identified a need to establish or amend an

administrative rule. In this case, unlike other recent rulemaking proceedings, the proposed rules were developed and published for formal comment without the use of workshops or other means of eliciting input from those entities that would be most impacted by the proposed change.

NIPSCO submits that the more sweeping the changes being contemplated, the more useful it is for the Commission to convene issue-specific workshops in order to gather information in an environment of free-flowing discussion and ideas. Given the broad scope of the proposed rules in this proceeding, NIPSCO encourages the Commission to consider convening such collaborative workshops in order to gain a more complete understanding of the various stakeholders' experiences applying the existing rules. Whether or not the Commission ultimately agrees with each of the concerns of these stakeholders, the resulting rule would surely reflect a more refined balance and awareness of various impacts than is possible under the current procedural schedule.

NIPSCO's initial comments generally track the section of the proposed rules and are organized into the following categories: customer deposits, creditworthiness, disconnections, payment arrangements, and estimated bills. These comments are also accompanied by a redlined version of the proposed rules indicating NIPSCO's specific suggestions for amending the proposed language.

Customer Deposits

The proposed rules would replace the existing rules 170 IAC 4-1-15 and 5-1-15 which provide the circumstances and terms for electric and gas utilities, respectively, to require deposits from applicants and customers. Through the use of deposits under the current rules, NIPSCO has been able to reduce the risk that customers will consume gas or electricity and then

not pay for it for whatever reason. While NIPSCO understands that it cannot reasonably expect to collect 100% of its bills, the cost of uncollectible accounts, initially borne by NIPSCO, is ultimately passed on in the form of higher prices for all of NIPSCO's customers. Thus, both NIPSCO and its customers have every interest in ensuring that as many customers as possible pay for services they have requested and used. NIPSCO is concerned, however, that the proposed new rules governing customer deposits will greatly increase the risk of bad debt.

NIPSCO recognizes that from time to time there will be some among its thousands of customers who as a result of an economic setback get behind in paying their utility bills and face an uphill battle making good on their utility debt. Indeed, NIPSCO has several employees who work closely with customers to establish payment plans and refer needy customers to sources of financial assistance – both within NIPSCO as well as externally – in an attempt to help resolve the customer's delinquency for gas or electric service previously provided. Regrettably, however, some customers who may possess the means to pay their obligations decide instead to allocate their resources elsewhere. NIPSCO's greatest concern about the Commission's proposed rules is that they relax the standards for customer obligations without any requirement that the resulting subsidy be based on the customer's demonstrated need. The proposed rules are a recipe for increasing both delinquent and avoided payment and for building consumer debt.

A significant difference between the current deposit rules and the proposed rules is the amount of the deposit a utility may require. Currently, deposits for gas service are calculated based on a third of the applicant or customer's estimated annual utility bill. By halving that amount to a sixth of the estimated annual utility bill, the Commission would significantly increase NIPSCO's exposure to bad debt. This is especially a concern for

NIPSCO's gas utility business, in which consumption is heavily concentrated during the heating season and utilities face strict restrictions on disconnection. As a consequence, the protection intended to be provided by a deposit will be considerably reduced. NIPSCO's exposure is compounded by the fact that the most significant component of its gas customers' bills is the cost of the gas commodity itself which is established by the marketplace. Accordingly, if the Commission alters the terms for calculating the amount of customer deposits, at least for gas utilities the amount should be based on some multiple of the average seasonal bill, or of a peak bill, rather than on only two month's worth of annualized billing.

Both the current and the proposed rules provide for deposits above a specified threshold to be paid in installments. Whereas the current rule permits deposits greater than \$70 to be spread over two monthly billing cycles, 170 IAC 4-1-15(c) or over no less than eight weeks 5-1-15(c), under proposed rules 4-1.2-4(a) and 5-1.2-4(a), deposits in excess of \$150 may be spread over three months. The example cited in the proposed rules, however, suggests that the Commission contemplated three payments covering a span of three, rather than two, months. A \$180 deposit might be satisfied with an initial payment of \$60, a second payment of \$60 one month after the initial payment and a third payment of \$60 two, rather than three, months after the initial payment. Given the fact that approximately two-thirds of NIPSCO's payment arrangements fail, even this seemingly modest change would have a real world impact both on the level of NIPSCO's bad debt and the customer's level of indebtedness, as would amending the proposed rule to permit installment payment only of that portion of the deposit that exceeds \$150.

Among the costlier changes NIPSCO requests the Commission to revisit is found in proposed subsections 4-1.2-4(d)(3) and 5-1.2-4(d)(3). The current rule permits a utility to

require a deposit in situations where "service to the customer has been disconnected within the past four (4) years...." *See, e.g.*, 170 IAC 5-1-15(e)(3). As proposed, subsection 4(d)(3) would slash the lookback period to 45 days. This change is significant in that it would make it harder to charge a deposit for a customer who ran up a delinquent balance the latter half of one heating season, leading to a disconnection at the conclusion of that season. The seasonal nature of the demand for gas service in many households is such that such a customer might have little need for the service to be reestablished until the beginning of the next heating season, often several months later. The Commission is urged to either delete subsection 4(d)(3) in its entirety or restore the four year lookback, the prudence and fairness of which has not only been well established in practice, but unlike subsection 4(d)(3) as proposed is consistent with the remaining language in proposed subsection 4(d): "When the service has been disconnected within the past four (4) years pursuant to section 5 of this rule, the deposit shall be provided before the service will be reconnected."

The final deposit-related issue on which NIPSCO wishes to comment concerns interest. NIPSCO requests that the requirement that it pay interest on deposits not apply until the date the deposit has been paid in full, given the additional complexity of trying to calculate and account for interest on multiple partial payments from the same customer. NIPSCO would also not be required to pay interest on partial deposits when the applicant or customer never paid the full amount of the deposit. This change could be achieved by amending the end of first sentence in proposed rules 4-1.2-4(e)(1) to read "...shall earn interest from the date the deposit has been paid in full." And while the requirements for refunding deposits and interest generally track the current rules, the Commission has proposed adding a new requirement in subsection 4-1.2-4(i) for utilities to annually credit accrued interest on the deposit to the customer's account. Not only

does change mean that the amount of the utility's security against bad debt will be diminished by the amount of the accrued interest, but establishing and managing the mechanisms to ensure compliance will add to the utility's administrative expense. NIPSCO recommends retaining the current language which provides for any remaining deposit and accrued interest to be applied to a customer's final bill, or, if the customer prefers, refunded within fifteen days of payment of the final bill. *See, e.g.*, 170 IAC 5-1-15(g)(3)(A) and (3)(B).

Creditworthiness

As with most other businesses engaged in providing goods or services to customers on an ongoing basis, NIPSCO attempts to assess its customers' creditworthiness so that it might make more informed decisions about when a deposit is called for to mitigate the risk that that customer will be unable or unwilling to pay for utility service after it has been provided, thereby shifting to others the burden for that customer's own consumption. Among the considerations in this regard are 1) the customer's own utility payment history with NIPSCO or another utility or, 2) if no such utility payment history is available, then NIPSCO purchases a credit report from an independent agency such as Equifax. NIPSCO agrees with and supports the proposed rules' inclusion of the use of a credit scoring system when making such risk assessments.

NIPSCO utilizes the Advanced Energy Risk Assessment Model, which is the most recently refined energy credit scoring model available to provide greater accuracy of potential credit risk. The model was developed exclusively for energy providers to determine the energy bill payment risk of a customer. In developing the model, only energy industry customer performance data sets from the gas and electric industry were used; it was not built to predict

payment habits for any other types of credit, i.e. mortgages, car loans, credit cards or medical bills. Credit scores are inherently non-judgmental and non-discriminatory, nor do they use factors such as race, color, creed, religion, national origin, geography, sex or marital status. Instead, the credit score relied upon by NIPSCO uses 500 risk model attributes to statistically derive a predictive, unbiased method of assessing credit risk.

In another respect, the proposed rules 4-1.2-3 and 5-1.2-3 are more restrictive than the current rule. By adding subsection (a)(2)(B), the Commission would require that the creditworthiness determination which triggers the deposit requirement be made "without regard to the credit history of any other individual residing in the household or the applicant or customer's spouse." NIPSCO recommends that this new language be omitted so that utilities might address situations in which Customer A stops paying for service, which is eventually voluntarily or involuntarily disconnected, at which point Applicant B requests service to the same address and Applicant B resided at the service address during the period when the service was in Customer A's name and Customer A continues to reside at the same address. NIPSCO also recommends that subsection (b) of that proposed rule be augmented by a new subsection (b)(3) to read: "The applicant or customer resided at the same address when service was provided to another member of applicant's or customer's household who continues to reside at that address and which service has not been paid for." NIPSCO submits that such language would be consistent with the approach neighboring states have taken in addressing this problem. The corresponding rule in Michigan, for example, permits utilities to require a deposit if an applicant "was a household member during a period in which all or part of a delinquent service account was accrued by another household member who currently resides with the applicant if,

at the time of the request for service, the account remains unpaid and is not in dispute."

Michigan Admin. Code Rule 460.2131(1)(f).

Disconnections

As with the Commission's rules for determining creditworthiness of new and existing customers and for requiring deposits from those customers who pose the greatest risk of not paying for their utility service, the rules limiting the circumstances a utility may disconnect a non-paying customer make a critical difference in the number of customers who seek to shift to others the responsibility for their own consumption. NIPSCO certainly understands and appreciates the often essential nature of the service it is privileged to provide, and recognizes that certain limitations are a necessary aspect of the utility business. As the Commission is also well aware, it must strike a careful balance between protecting immediate public safety interests and protecting the broader public interest in fairness and efficiency. Just as the Commission would not permit utility service to be withdrawn arbitrarily, so too would it not prohibit any disconnection under any circumstances.

As the Commission considers re-writing the rules governing disconnection of utility service, NIPSCO requests that it include the failure to satisfy a deposit requirement as an additional basis for disconnection without a customer's request. Specifically, NIPSCO's requests that the Commission add a new subsection 4-1.2-5(b)(3) and 5-1.2-5(b)(3) as follows: "A utility may disconnect service to a customer based on that customer's failure to satisfy a deposit charge pursuant to Section 4 of this rule [170 IAC 4-1.2-4 / 170 IAC 5-1.2-4]." Additionally, NIPSCO recommends tightening the annual forty-day postponement requirement proposed in 4-1.2-5(c)(1) and 5-1.2-5(c)(1) by specifying that it applies per household, rather than merely per

customer. For similar reasons, NIPSCO proposes to add spouses to the exception set forth in proposed rules 4-1.2-5(c)(2)(C) and 5-1.2-5(c)(2)(C).

NIPSCO also proposes to amend the proposed rules governing the content of disconnection notices. Since subsection 5(e)(2)(E) of rules 4-1.2 and 5-1.2 already requires that a disconnection notice refer the customer to the customer rights pamphlet furnished pursuant to 170 IAC 4-1-18, NIPSCO requests that utilities be allowed to avoid the additional expense of including in every disconnection notice the additional detailed information specified in subsection 5(e)(2)(D) and (2)(F) by including that same information in its customer rights pamphlet.

Payment Arrangements

Another area of the proposed customer rights and responsibility rules on which NIPSCO wishes to comment involves proposed rules 4-1.2-6 and 5-1.2-6. These new rules are much broader than the language they replace, and NIPSCO is concerned that the opened-ended nature of these expanded rights will only invite widespread abuse. In particular, NIPSCO recommends that the customer's option not to pay the full undisputed amount of his or her bill should apply only if the customer has not been disconnected. The proposed rules also specify that payment arrangements be based on equal monthly installments. 4-1.2-6(a)(1)(A) and 5-1.2-6(a)(1)(A). This proposed language is unnecessarily restrictive. Depending on the individual circumstances, smaller payments made on a more frequent basis than monthly can prove to be more effective in paying back the debt. Furthermore, while "financial hardship" is identified as a just cause for nonpayment, what might constitute a financial hardship is not identified. Finally, although proposed rules 4-1.2-7 and 5-1.2-7 provide for a winter moratorium on disconnections

for customers with a demonstrated hardship, subsections 6(f) and (g) of proposed rules 4-1.2-6 and 5-1.2-6 create additional burdensome requirements and costly entitlements which NIPSCO projects will cause the amount of bad debt to balloon if adopted as proposed. In particular, requiring reconnection after payment of only 20% of that customer's accumulated arrearage and only 20% of the deposit that would otherwise be required will result in a multi-million dollar increase in customer indebtedness that never gets repaid. Based on the experience of NIPSCO's affiliate in Pennsylvania, for example, which has similar rules in place, NIPSCO reasonably anticipates that the amount of its bad debt write offs will increase by a factor of at least three. This conservative estimate is based on the assumption that the percentage of NIPSCO's customers who cannot and/or will not pay their bills in full does not increase, even though NIPSCO submits that is more reasonable to anticipate that, given the additional means available under the new rules as proposed for customers to avoid utility payments, that percentage will necessarily grow as well. NIPSCO respectfully requests that these two subsections be deleted.

Estimated Bills

While NIPSCO appreciates the extent to which the proposed rules governing the use of estimated bills (4-1.2-10 and 5-1.2-10) allow greater flexibility than the rules they would replace (170 IAC 4-1-13(d) and 5-1-13(C)) in at least two respects the proposed rules are more restrictive and could increase operating costs. First, by capping the frequency of estimated bills regardless of the circumstances (other than at the customer's request) at three consecutive months, as set forth in subsection 10(a), the proposed rule increases the likelihood of disconnection when there might otherwise be what is considered good cause to estimate a bill under the current rules. NIPSCO recommends that the Commission either expand the exceptions

to include good cause as currently defined or expand the cap on consecutive bills to twelve months. Second, by barring the use of an estimate for the first or final bill (subsection 10(b)(1)), the proposed rule mandates that meters be read off-cycle for all customers except those whose start or stop dates happen to coincide with the regularly-scheduled meter reads. Given the high cost of reading meters off-cycle, estimates have proven to be a much more cost-effective means to determine first and final bills. If the Commission is concerned about some customers insisting on having their meters read for these bills, utilities should be permitted to do so for a fee which reflects the added expense, rather than require all customers to bear the higher cost.

Conclusion

Relaxing the rules for utility customer deposits, disconnection and payment should not be done without extensive deliberation and circumspection. Absent the implementation of a bad debt tracker or other cost recovery mechanism, such as has been authorized in other states, including Maryland and Ohio, NIPSCO respectfully suggests that the Commission would be ill-advised to implement the proposed rules in their present form. Before embarking on such a fundamental re-balancing of customer rights and responsibilities as is represented by the proposed rules, the Commission should fully understand the likely cost. For NIPSCO alone, the changes proposed by the Commission will increase the amount of uncollectible accounts by millions of dollars, and further result in significant increases in administrative costs. While NIPSCO respectfully submits that the changes it has proposed in these comments strike an appropriate balance between individual customers, utilities, and ratepayers as a whole, and represent a prudent enhancement to the existing utility rules, such large-scale changes to the established customer relationship as the Commission has proposed are

best developed through a collaborative process involving workshops and other means for various stakeholders to provide input.

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**TITLE 170 INDIANA UTILITY REGULATORY
COMMISSION**

NORTHERN INDIANA PUBLIC SERVICE COMPANY
ADDITIONAL RED-LINED COMMENTS

Proposed Rule
LSA Document #04-144

DIGEST

Adds 170 IAC 4-1.2, 170 IAC 5-1.2, and 170 IAC 6-1.2 to establish new customer service rights and responsibility rules for electric, gas, and water utilities. Amends 170 IAC 7-1.3-2, 170 IAC 7-1.3-3, 170 IAC 7-1.3-8, 170 IAC 7-1.3-9, and 170 IAC 7-1.3-10 regarding telecommunications customer service rights and responsibilities. Amends 170 IAC 8.5-2 regarding sewage disposal service customer rights and responsibilities. Repeals 170 IAC 4-1-15, 170 IAC 4-1-16, 170 IAC 4-1-16.5, 170 IAC 4-1-16.6, 170 IAC 4-1-17, 170 IAC 5-1-15, 170 IAC 5-1-16, 170 IAC 5-1-16.5, 170 IAC 5-1-16.6, 170 IAC 5-1-17, 170 IAC 6-1-15, 170 IAC 6-1-16, and 170 IAC 6-1-17. Effective 180 days after filing with the secretary of state.

170 IAC 4-1-15	170 IAC 6-1-16
170 IAC 4-1-16	170 IAC 6-1-17
170 IAC 4-1-16.5 170 IAC 4-1.2 IS ADDED TO READ AS FOLLOWS:	
170 IAC 4-1-16.6	170 IAC 7-1.3-2
170 IAC 7-1.3-3	
170 IAC 7-1.3-8	
170 IAC 7-1.3-9	
170 IAC 7-1.3-10	
170 IAC 8.5-2	
170 IAC 8.5-3	
170 IAC 8.5-4	
170 IAC 8.5-5	
170 IAC 8.5-6	
170 IAC 8.5-7	
170 IAC 8.5-8	
170 IAC 8.5-9	
170 IAC 8.5-10	
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170 IAC 8.5-100	

Sec. 1. (a) This rule applies to any:
(1) electric public utility; and
(2) rural electric membership corporation;
that is now, or may hereafter be, engaged in the business of rendering service to the public under the jurisdiction of the commission.

(b) This rule creates the minimum level of service that a utility is expected to meet when providing reasonable quality electric utility services to the public and to establish the obligations of both the utility and the customer.

(c) No utility shall discriminate against or penalize a customer for exercising any right granted by this rule. If a utility's tariff on file with the commission contains provisions that conflict with this rule, this rule shall supersede any conflicting tariff provisions.

(d) Any utility subject to this rule that fails to meet the standards herein shall be subject to all legal remedies provided by law. Upon complaint or its own motion and after notice and hearing, the commission may order lawful enforcement mechanisms against a public utility that fails to meet the requirements or standards established in this rule. Nothing in this rule shall prevent the commission from exercising any authority it may have under applicable law to enforce this rule in the event any public utility fails to comply.

(e) The adoption of this rule shall in no way preclude the commission, upon complaint by a customer, upon its own motion or upon the petition of any utility or the office of the utility consumer counselor, after notice and hearing, from taking any of the following actions:

- (1) Altering or amending this rule in whole or in part.
- (2) Requiring any other or additional service, equipment, facility, or standard.
- (3) Making such modifications with respect to the application of this rule as may be found necessary to meet exceptional conditions.
- (4) Requiring a utility to comply with any other service standards.
- (5) At its sole discretion, granting, in whole or in part, permanent or temporary waivers from this rule on an expedited basis.

The adoption of this rule shall not in any way relieve any utility from any of its duties under the law of this state or rules and orders of the commission.

(f) If any provision of this rule is determined by competent authority to be prohibited or unenforceable, the provision shall be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof. *(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-1)*

170 IAC 4-1.2-2 Definitions

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-1; IC 8-1-13

Sec. 2. The following definitions apply throughout this rule:

- (1) "Applicant" means any person or designated agent who seeks to become a customer for residential electric utility service.
- (2) "Commission" means the Indiana utility regulatory commission.
- (3) "Customer" means any person who requests and obtains residential utility service and is responsible for the payment of charges, compliance with filed tariffs, and rules of the utility.
- (4) "Disconnection" means the termination or discontinuance of utility service.
- (5) "Late payment charge" means the one-time penalty assessed by a utility on a customer's account when the account becomes delinquent.
- (6) "Residential service" means electric utility service for household purposes that is billed under a residential rate.
- (7) "Utility" or "public utility" means any public utility (as defined in IC 8-1-2-1) or any rural electric membership corporation (as established by IC 8-1-13) that furnishes electric service to the public under the jurisdiction of the commission.

(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-2)

170 IAC 4-1.2-3 Creditworthiness guidelines

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2

Sec. 3. (a) A utility shall determine the creditworthiness of an applicant or customer in an equitable and nondiscriminatory manner:

- (1) without regard to:
 - (A) race;
 - (B) color;
 - (C) creed;
 - (D) religion;
 - (E) national origin;
 - (F) sex;
 - (G) marital status;
 - (H) receipt of public assistance; or

- (1) the economic character of the area wherein the applicant or customer resides; and
- (2) solely upon the credit risk of the individual applicant or customer without regard to the:
 - (A) collective credit reputation of the area in which he or she lives; and
 - (B) ~~credit history of any other individual residing in the household or the applicant or customer's spouse.~~

(b) A utility may require a residential service applicant or customer to satisfactorily establish his or her financial responsibility (creditworthiness). The utility may require a deposit or other reasonable guarantor to secure payment of bills before providing utility service if the applicant or customer is not deemed creditworthy due to any of the following circumstances:

- (1) The applicant or customer does not meet or exceed the predetermined minimum credit score selected by the utility using a credit scoring system as provided in the utility's tariff.
- (2) The applicant or customer has failed to pay for past due electric service furnished to him or her at the same or at another address within the past four (4) years.
- (3) The applicant was a household member during a period which all or part of a delinquent service account was accrued by another household member who currently resides with the applicant, if, at the time of the request for service, the account remains unpaid.

(c) A bill for one (1) class of service (such as commercial) shall not be transferred to a bill for another class of service (such as residential), nor shall a bill for one (1) form of utility service (such as water) be transferred to a bill for another form of utility service (such as electric). Utility service shall not be denied for nonpayment of bills for merchandise or other nonutility or unregulated services.

(d) Utilities shall treat customers who have filed bankruptcy under federal law in accordance with the protective provisions of 11 U.S.C. 366, effective October 22, 1994. (*Indiana Utility Regulatory Commission; 170 IAC 4-1.2-3*)

170 IAC 4-1.2-4 Deposits

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2; IC 32-34-1

Sec. 4. (a) If the applicant or customer fails to establish that he or she is creditworthy under section 3 of this rule, the applicant or customer may be required to make a reasonable deposit. The deposit shall not exceed one-sixth ($\frac{1}{6}$) of the estimated annual billings for regulated utility service at the address at which service is rendered to the applicant or customer and shall be paid in full before establishment of service, subject to the provisions of section 6 of this rule; provided, however, that a deposit shall be based upon estimated regulated electric service charges only. If a deposit is greater than one hundred fifty dollars (\$150), the utility shall advise the applicant or customer simultaneously with making a demand for a deposit that the applicant or customer may pay the balance of the deposit amount in excess of one hundred fifty dollars (\$150) in equal installment payments over a period of no fewer than three two (32) months, and service shall be connected upon receipt by the utility of the first one hundred fifty dollar (\$150) payment. For example, if the total deposit required by a utility under this section is one hundred eighty dollars (\$180), the applicant or customer could make an initial payment of one hundred fifty dollars (\$150) and two three (3) payments of sixtyfifteen dollars (\$6015) over a three (32) month period, and service would be connected after the first sixty initial one hundred fifty dollar (\$60150) payment. The applicant or customer shall not be required to make any advanced payments in addition to or in lieu of a deposit required by this rule in order to receive service. An initial deposit made by a customer shall be subject to reevaluation upon the request of either the utility or the customer, based upon actual charges for services rendered, at any time after service has been provided.

(b) The utility may elect to accept a written guarantee, signed by a third party guarantor acceptable to the utility within its discretion, of payment for all utility service rendered or requested to be rendered to the applicant or customer. The guarantor may terminate the guarantee upon thirty (30) days prior written notice. The guarantee shall be in full force and effect up to and including the date the guarantee shall terminate, and the

guarantor shall be obligated, as provided in the written guarantee, respecting the payment of the amount of the applicant or customer's bill on the date of termination. A guarantee shall terminate when the customer submits satisfactory payment for a period of ten (10) out of any twelve (12) consecutive months.

(c) If the utility requires a deposit or a written guarantee as a condition of providing service, the utility shall advise the applicant or customer of the reason upon which the utility bases its decision and provide the applicant or customer with an opportunity to rebut the facts and show other facts demonstrating creditworthiness.

(d) A utility may require an existing customer to make a reasonable deposit, or an additional deposit in cases where a deposit has been made and exhausted under this rule, under any of the following circumstances:

(1) The customer has been mailed disconnect notices for two (2) consecutive months.

(2) The customer has been mailed disconnect notices for any three (3) months within the preceding twelve (12) month period.

~~(3) The service to the customer has been disconnected within the past forty-five (45) days for nonpayment.~~
In such cases, notice of the need for a deposit shall be in writing, and the customer shall be given ten (10) business days from the mailing date of the notice within which to make the deposit. When the service has been disconnected within the past four (4) years under section 5 of this rule, the deposit shall be provided before the service will be reconnected. The total amount of all deposits required for service under this section may not exceed an amount equal to one-sixth ($\frac{1}{6}$) of the annualized estimated billings for regulated utility service to the customer at the address at which service is rendered. The applicant or customer shall not be required to make any advanced payments in addition to or in lieu of a deposit required by this rule.

(e) Requirements for interest upon a deposit shall be as follows:

(1) A deposit held more than thirty (30) days shall earn interest from the date ~~the~~ of deposit is paid in full. Beginning on the effective date of this rule, the rate of interest shall be set by the commission based upon the then existing rate for one (1) year United States Treasury Constant Maturity securities. The interest rate shall be rounded to the nearest one-half ($\frac{1}{2}$) of one percent (1%). In December of each year, the commission shall issue a general administrative order establishing the interest rate for the next calendar year that shall be paid on all deposits held during all or part of the subsequent year.

(2) The deposit shall not earn interest after the date it is mailed or personally delivered to the customer or otherwise lawfully disposed of as provided in subsection (f)(6).

(f) Requirements for refunds shall be as follows:

(1) Any deposit and accrued interest shall be promptly ~~refunded~~ applied to the customer's account without the customer's request when the customer submits satisfactory payment ten (10) out of any twelve (12) consecutive months without late payment.

(2) A statement of accounting for each transaction affecting the deposit and interest shall accompany refunds of deposits or accrued interest issued under this section.

(3) Following a customer requested termination of service, the utility shall do the following:

(A) Apply the deposit, plus accrued interest, to the final bill.

(B) Refund any remaining deposit and accrued interest within fifteen (15) business days after payment of the final bill.

(4) A utility shall maintain a record of each applicant or customer making a deposit that shows the following:

(A) The name of the customer.

(B) The current mailing address of the customer.

(C) The amount of the deposit.

(D) The date the deposit was made.

(E) A record of each transaction affecting the deposit.

(5) Each customer shall be provided a written receipt from the utility at the time the customer's deposit is paid in full or any time the customer makes a partial payment. The utility shall provide a reasonable method by which a customer, who is unable to locate his or her receipt, may establish that he or she is entitled to a refund of the deposit and payment of interest thereon.

(6) Any deposit made by the applicant or customer to the utility (less any lawful deductions to be refunded), or any sum the utility is ordered to refund for electric service that has remained unclaimed for one (1) year after the utility has made a diligent effort to locate the customer who made the deposit or the heirs of the customer, shall be presumed abandoned and treated in accordance with IC 32-34-1 et seq.

(g) A deposit may be used by the utility to cover any unpaid balances owed the utility following disconnection of utility service, provided, however, that any surplus be returned to the customer as provided in this section.

(h) A deposit shall not be applied to satisfy an applicant or customer's bill, prior arrearage, or outstanding indebtedness that is greater than four (4) years old; however, a utility may pursue the unpaid balances via collections or other means provided by applicable law.

~~(i) At the end of every year of service, if the deposit plus interest is not refunded to the customer, the utility shall automatically refund the accrued interest on the deposit to the customer by crediting the customer's account and stating this credit clearly on the customer's next regular bill.~~

~~(j) A customer who fails to pay a bill by the time specified by the regulations of the utility and commission regarding the prompt payment of bills, and who further fails to pay the bill within a reasonable period after presentation of a disconnection of service notice for nonpayment, may be required to pay the bill and to reestablish credit by making a deposit under this rule.~~

(k) Establishment of credit by deposit shall not relieve a customer from complying with the commission's rules for prompt payment of bills. (*Indiana Utility Regulatory Commission; 170 IAC 4-1.2-4*)

170 IAC 4-1.2-5 Disconnection and prohibited disconnections

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-122

Affected: IC 8-1-2-4

Sec. 5. (a) Requirements for disconnection upon a customer's request are as follows:

(1) The customer shall notify the utility at least three (3) business days in advance of the day disconnection is desired. The customer shall remain responsible for all service used and the billing therefor until the date the customer has requested disconnection pursuant to the notice.

(2) Upon request by a customer to a utility to disconnect service in fewer than three (3) business days, the utility shall disconnect the service within three (3) business days of the request. The customer shall not be liable for any service rendered to the address after the expiration of the three (3) days.

(3) The customer shall not charge service or authorize the charging of service to any account that has been disconnected at the customer's request or otherwise. A customer shall be responsible for any services he or she charges or authorizes charged to the disconnected account in violation of the prohibition in this subdivision.

(b) Requirements for disconnection without a customer's request are as follows:

(1) A utility may disconnect service without request by the customer of the service and without prior notice only:

(A) if a condition dangerous or hazardous to life, physical safety, or property exists;

(B) upon order by any court, the commission or other duly authorized public authority;

(C) if fraudulent or unauthorized use of service is detected and the utility has reasonable grounds to believe the affected customer is responsible for the use;

(D) if the utility's equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for the tampering; or

(E) if the utility's equipment is used in a manner disruptive to the service of other customers.

(2) A utility may disconnect service to a customer based on a delinquent account with the same class of service (such as residential service) for that customer.

(3) A utility may disconnect service to a customer for failure to satisfy a deposit charge pursuant to Sec. 4.

(4) A utility may disconnect service to a customer where there is a current member of the customer's household who currently resides with the customer that has not paid a delinquent account for service that is owed by the member of the customer's household, if the customer lived at the same residence served by the utility at the time that all or part of the debt was incurred by the member of the customer's household.

(c) Requirements for prohibited disconnections are as follows:

(1) Except as otherwise provided in subsections (a) and (b), a utility shall postpone the disconnection of electric service for thirty (30) days if, before the disconnect date specified in the disconnect notice, the customer provides the utility with a medical statement from a licensed physician or public health official that states that disconnection would be a serious and immediate threat to the health and safety of a designated person in the household of the customer. The postponement of disconnection shall be continued for one (1) additional ten (10) day period upon the provision of an additional medical statement to the utility. The utility shall be required to provide the customer a total of forty (40) days postponement of disconnection for medical reasons under this subsection only once in any twelve (12) month period per household. Further postponement of disconnection may be made at the utility's discretion.

(2) A utility may not disconnect electric service to the customer for any of the following reasons:

(A) Nonpayment of any nonutility or unregulated utility services.

(B) Upon the customer's failure to pay for services to a previous occupant of the premises being served unless the utility has reasonable grounds to believe that the customer is attempting to defraud the utility.

~~(C) On the basis of the delinquent character of an account of any other person, except if the customer is the guarantor of that other person's account for electricity service.~~

(D) If the customer makes payment arrangements under section 6 of this rule.

(E) If a customer is unable to pay a bill that is unusually large due to prior incorrect billing, incorrect application of the rate schedule, prior estimates where no actual reading was taken for over two (2) months, or any human or mechanical error of the utility, and the customer:

(i) makes a payment arrangement in accordance with the guidelines set forth in section 6 of this rule; and

(ii) agrees to pay all undisputed future bills for electric service as they become due, provided, however, that the utility may not add to the outstanding bill any late fee and, provided further, that the payment arrangement agreement in item (i) and this item shall be put in writing by the utility and sent by mail transmitted to the customer.

(d) No utility may disconnect service unless the disconnecting is done between the hours of 8 a.m. and 3 p.m., prevailing local time. Disconnections under subsections (a) and (b) are not subject to this limitation. The utility may not disconnect service for nonpayment:

(1) on any:

(A) Friday after noon;

(B) Saturday;

(C) Sunday; or

(D) other day the utility's offices are not open for business; or

(2) after noon on any day immediately before a day the utility's office are not open for business.

(e) Requirements for notice required before involuntary disconnection are as follows:

(1) Except as otherwise provided in this section, service to any customer shall not be disconnected for a violation of any rule of the utility or for nonpayment of a bill, except after fourteen (14) days from the postmark transmission date of a written notice sent to the customer at the address shown on the records of the utility or the notice is personally served upon the customer or a responsible member of the customer's household. No disconnect notice for nonpayment may be rendered before the date on which the account becomes delinquent.

(2) The disconnection notice shall be in language that is clear, concise, and easily understandable to a layperson and shall state, ~~in separately numbered large print paragraphs,~~ the following information:

(A) The date of the proposed disconnection.

(B) The specific reason and factual basis for the proposed disconnection.

(C) The telephone number of the utility office at which the customer may call during regular business hours

to question the proposed disconnection or seek information concerning the customer's rights.

~~(D) The local and toll-free telephone numbers and office hours of the commission.~~

(E) That the customer may refer to the pamphlet furnished under 170 IAC 4-1-18 for information as to the customer's rights which shall include the following information.

~~(F1)~~ Information as to the customer's rights, under this rule, including, but not limited to, the following:

(ia) That the customer may obtain a temporary waiver of disconnection for a serious illness or medical emergency under subsection (c).

(iib) That the customer may file a complaint with the utility.

(iiic) That if the complaint is not resolved by the utility to the customer's satisfaction, the customer may file a complaint with the commission.

(ivd) That the customer may make payment arrangements under section 6 of this rule.

(e) The local and toll free telephone numbers and office hours of the commission.

(f) Utility employees conducting disconnections of service shall follow the following procedures:

(1) Immediately preceding the actual disconnection of service, the employee of the utility designated to perform the function shall make a reasonable attempt to identify himself or herself to the customer or any other responsible person then upon the premises and shall announce the purpose of his or her presence and shall make a record thereof to be maintained for at least thirty (30) days.

(2) The employee shall have in his or her possession information sufficient to enable the employee to inform the customer or other responsible person the reason for the disconnection, including the amount of any delinquent bill of the customer, and shall request from the customer any available verification that the outstanding bill has been satisfied or is currently in dispute and under review by the utility or the commission. Upon the presentation of such credible evidence, service shall not be disconnected.

(3) The employee shall not be required to accept payment from the customer, user, or other responsible person in order to prevent the service from being disconnected. The utility shall notify the customers under 170 IAC 4-1-18 of its policy with regard to the acceptance or nonacceptance of payment from the employee and shall uniformly follow the policy without discrimination.

(4) When the employee has disconnected the service, the employee shall give to a responsible person at the customer's premises, or if no one is at home, shall leave at a conspicuous place on the premises, a notice stating that service has been disconnected and stating the address and telephone number of the utility where the user may arrange to have service reconnected.

(g) If a utility disconnects service in violation of this rule, the service shall immediately be restored at no charge to the customer. *(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-5)*

170 IAC 4-1.2-6 Payment arrangements and reconnection of service

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-121; IC 8-1-2-122

Affected: IC 8-1-2; IC 32-34-1-20

Sec. 6. (a) Except in cases where fraudulent or unauthorized use of utility service is detected and the utility has reasonable grounds to believe the customer is responsible for the use, when a residential customer cannot pay an undisputed bill or the undisputed portion of a disputed bill in full, the utility shall continue to serve the customer ~~or reconnect the customer~~ if the customer and the utility agree on a reasonable portion of the outstanding bill to be paid immediately. The manner in which the balance of the outstanding bill will be paid (the "payment arrangement") shall be made in accordance with the following guidelines:

(1) The customer shows just cause for his or her inability to pay (financial hardship shall constitute just cause), and the customer pays a reasonable portion of the amount, not to exceed one-third (1/3) of all amounts due (unless the customer agrees to a greater portion) and the customer:

(A) agrees to pay:

(i) the balance of all amounts due in equal monthly installments over a period of not more than three (3) months; and

(ii) all undisputed future bills for utility service as they become due; and

(B) has not breached any similar agreement with the utility made under this section in the last twelve (12) months.

(2) In deciding on the reasonableness of a particular payment arrangement, the utility shall consider the following:

(A) The customer's ability to pay.

(B) The size of the unpaid balance.

(C) The customer's payment history and length of service.

(D) The amount of time the debt has been and the reasons why the debt is outstanding.

(3) The payment arrangement shall provide the customer with adequate opportunity to apply for and receive the benefits of any available public assistance program.

(4) The payment arrangement is subject to amendment upon the mutual agreement between the utility and the customer's request if there is a change in the customer's financial circumstances.

(5) The utility may add to the outstanding bill a late payment charge not to exceed the amount set under 170 IAC 4-1-13(c); however, only one (1) late payment charge may be assessed against the charges applicable to any given month.

(b) The terms of any payment arrangement made under this section shall be put in writing by the utility and sent by mail transmitted to the customer.

(c) If the customer does not meet any of the conditions in subsection (a), the utility may, but is not obligated to, enter into subsequent payment arrangements with the customer.

(d) The utility shall reconnect service to a customer as soon as reasonably possible but at least within one (1) working day after the utility is requested to do so if the customer has satisfied the requirements of this rule.

(e) A utility may charge a reasonable reconnection charge not to exceed the charge approved by the commission in the utility's filed tariffs. A utility shall inform its customers of the reconnection fee under 170 IAC 4-1-18.

~~(f) Notwithstanding any other provision of this rule, from December 1 to March 15 of any year, any customer of any electric utility shall be reconnected as soon as possible upon:~~

~~(1) paying twenty percent (20%) of the amount past due;~~

~~(2) paying twenty percent (20%) of any deposit required by the utility; and~~

~~(3) entering into a payment arrangement for the balance of past due amounts.~~

~~The utility shall allow the customer a minimum of three (3) months or until March 15, whichever is later, to retire the past due balance and the remainder of the deposit. The customer shall also be informed that payment on the amounts past due and the deposit, if any, plus the current bills must be paid by the due date or the customer may face termination of service, subject to the winter moratorium described in section 7(b) of this rule.~~

~~(g) No later than September 15 of each year, every public utility shall conduct a survey of all customers whose electric service was used to provide or control the primary source of space heating in the dwelling and whose electric service was terminated for nonpayment of a bill or deposit from December 1 of the previous year to September 1 of the current year and where service at that premises has not been restored. Not later than October 15 of each year, the utility shall notify each of these customers that the electric service will be restored by the company for the coming heating season if the former customer contacts the utility and makes arrangements to pay the past due balance and any deposit required by the utility under the conditions set forth in this rule. A utility shall notify the former customer or an adult member of the household by personal visit, telephone contact, or mailing of a letter by first class mail to the last known address of that customer. The utility shall keep records that indicate the date, form, and results of the contact. The commission may request the utility to report the results of customer contacts made under this subsection. (Indiana Utility Regulatory Commission; 170 IAC 4-1-2-6)~~

170 IAC 4-1.2-7 Home energy assistance; disconnection of service to recipients; notice period

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-121; IC 8-1-2-122

Affected: IC 12-14-11

Sec. 7. (a) Without a customer's request, a utility may not, during the period from December 1 through March 15, disconnect electric residential service to any customer who either is:

- (1) receiving; or
- (2) eligible for and has applied for; assistance under IC 12-14-11.

(b) During the period from December 1 through March 15, a utility may not disconnect service to such customers if:

- (1) the customer's eligibility to receive benefits under IC 12-14-11 is being determined by the division of family and children or its designee after the submission of a complete application for benefits by the customer; or
- (2) the customer has furnished to the utility proof of his or her application to receive such benefits or the utility has been so notified in writing by the division of family and children or its authorized representative.

(c) This section does not prohibit a utility from terminating residential electric service upon the request of a customer or under any of the following circumstances:

- (1) If a condition dangerous or hazardous to life, physical safety, or property exists.
- (2) Upon order by any court, the commission, or other duly authorized public authority.
- (3) If fraudulent or unauthorized use of service is detected and the utility has reasonable grounds to believe the affected customer is responsible for the use.
- (4) If the utility's equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for the tampering.
- (5) If the utility's equipment is used in a manner disruptive to the service of other customers.

(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-7)

170 IAC 4-1.2-8 Customer complaints to the utility

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2

Sec. 8. (a) An applicant or customer may complain at any time to a utility about any bill, security deposit, disconnection notice, or any other matter relating to installation or service and may request a conference with the utility thereon. The complaints may be made in person, by telephone, in writing, or by completing a written or electronic form available from the utility. A complaint shall be considered filed upon receipt by the utility, except mailed complaints shall be considered filed two (2) calendar days after the postmark date. In making a complaint or request for conference, the applicant or customer shall state, at a minimum, his or her name, service address, telephone number, and the general nature of his or her complaint.

(b) Upon receiving each such complaint or request for conference, the utility shall take the following actions:

- (1) Immediately notify an applicant or customer that any undisputed portion of a bill shall be paid by the date due in order to avoid disconnection of service in accordance with section 5 of this rule.
- (2) Promptly, thoroughly, and completely investigate the complaint in good faith, attempt to confer with the applicant or customer when requested, and notify the applicant or customer of the utility's proposed disposition of the complaint. During the investigation, no collection action shall be taken for items that are being disputed, and there shall be no negative impact on the applicant or customer's credit rating.
- (3) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any service that is the subject matter of the complaint while investigating the complaint or making a good faith attempt to resolve the complaint.
- (4) Charges that are disputed by the applicant or customer shall not be treated as delinquent while an investigation is pending.
- (5) After investigation, the utility may rebill the disputed charges in the next billing cycle if the investigation determined that the charges were appropriate; however, the utility shall not assess any late payment charge that may have accrued while the investigation was pending.

(6) If the utility's proposed disposition is not in the applicant or customer's favor, the utility shall notify the applicant or customer of the disposition in writing if the complaint was made in writing. If the utility's proposed disposition is not in the applicant or customer's favor, the utility shall notify the applicant or customer in writing or orally, if the complaint was made orally. The notification shall include contact information for the commission, including the commission's mailing address, toll-free complaint number, and local telephone number. A utility shall direct its personnel engaged in contact with an applicant or customer to inform the applicant or customer, if he or she expresses dissatisfaction with the decision of the personnel, of the right to have the problem considered and acted upon by supervisory personnel of the utility. A utility shall further direct the supervisory personnel to notify the applicant or customer who expresses dissatisfaction with the decision of the supervisory personnel of the right to have the problem reviewed by the commission's consumer affairs division and shall furnish him or her the business address and telephone number of the commission. The notification shall advise the applicant or customer that if he or she is dissatisfied with the utility's disposition, the applicant or customer may, within twenty-one (21) days, file a complaint with the commission's consumer affairs division (under section 9 of this rule). The payment of a deposit as requested by the utility shall not foreclose or in any manner affect the applicant or customer's right to appeal under IC 8-1-2-34.5 or other applicable law.

(c) If at any time the applicant or customer files a complaint with the commission regarding a dispute with a utility, the procedures set forth in section 9 of this rule shall apply. Any disconnection of the applicant or customer's service shall be governed by section 5 of this rule.

(d) A utility shall retain a written record of complaints and requests for conferences for at least eighteen (18) months after the complaint or request for conference is made. The records shall be maintained at the office or branch office of the utility or in the respective department office thereof where the complaints were received or any conferences were subsequently held. The written records are to be readily available upon request by the:

- (1) concerned applicant or customer;
- (2) applicant or customer's agent possessing written authorization; or
- (3) commission.

(e) A utility shall, at the request of the commission, submit a report covering the previous twelve (12) month period to the commission that shall state and classify the following:

- (1) The number of complaints made to the utility under this rule.
- (2) The general nature of the subject matter thereof.
- (3) How the complaint was received.
- (4) Whether a commission review was conducted thereon.

(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-8)

170 IAC 4-1.2-9 Customer complaints to the commission

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-88

Sec. 9. (a) An individual or entity may informally complain to the commission's consumer affairs division with respect to any matter within the jurisdiction of the commission. The complaints may be made in person, by telephone, in writing, or by completing a written or electronic form available from the consumer affairs division. A complaint shall be considered filed upon receipt by the commission, except mailed complaints shall be considered filed as of the postmark date. In making a complaint, the applicant or customer shall state, at a minimum, the following:

- (1) His or her name.
- (2) The service address.
- (3) His or her telephone number.
- (4) The name of the utility involved.
- (5) The general nature of his or her complaint.

(b) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any service that is the subject matter of the complaint while any commission review or investigation of the complaint is pending. The applicant or customer shall continue to pay all undisputed charges. In those instances when the applicant or customer and the utility cannot agree as to what portion of a bill is undisputed, the applicant or customer shall pay on the disputed bill an amount equal to the applicant or customer's average bill for the twelve (12) months immediately preceding the disputed bill. In those cases where the applicant or customer has received fewer than twelve (12) bills, the applicant or customer shall pay an amount equal to one-twelfth ($1/12$) of the estimated annual billing for service to be rendered to the applicant or customer.

(c) If the applicant or customer is dissatisfied with a utility's notice of the utility's proposed disposition of the complaint as provided in section 8 of this rule, the applicant or customer may, within ~~twenty-one (21)~~ fourteen (14) days after the ~~postmark~~ transmission date of the notice, file an informal complaint with the commission's consumer affairs division.

(d) Upon receiving an informal complaint, the following actions shall be taken:

(1) The utility shall be notified that a complaint has been made.

(2) The complaint shall be investigated and decision shall be made within seven (7) days.

(3) The applicant or customer and the utility shall be notified of the decision made on the complaint in accordance with applicable law.

(e) Requirements for an informal review are as follows:

(1) The applicant or customer or the utility may make a written request that a decision made under subsection (d) be reviewed informally by the consumer affairs director or designee. The written request shall be made within fourteen (14) days of the decision. The records of the commission relating to the reviews shall be kept in a systematic order.

(2) Upon receiving a request for an informal review, the consumer affairs director or designee shall provide an informal review within a timely manner fourteen (14) days. The review shall consist of not less than a prompt and thorough investigation of the dispute and shall result in a written decision to be ~~mailed~~ transmitted to the applicant or customer and the utility. Upon request by either party or the consumer affairs director or designee, the parties shall be required to meet and confer to the extent and at a place the consumer affairs director or designee considers appropriate.

(f) The applicant or customer may make a written request that the commission investigate the disposition of the informal review. The written request shall be made within ~~twenty (20)~~ fourteen (14) days of the consumer affairs division's notice of disposition. Before entering an order upon a commission investigation, the commission shall afford the applicant or customer and the utility notice and an opportunity to be heard.

(g) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any disputed service until at least ~~twenty (20)~~ fourteen (14) days have elapsed from the ~~postmark~~ transmission date of the consumer affairs division's disposition or the commission's order upon investigation, if any.

(h) The time frames provided in this section may be extended at the discretion of the consumer affairs division.
(Indiana Utility Regulatory Commission; 170 IAC 4-1.2-9)

170 IAC 4-1.2-10 Estimated bills

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-4

Sec. 10. (a) Each estimated bill shall be clearly and conspicuously identified as such. Unless otherwise requested, or unless reasonable access is not provided by a customer, estimated bills shall not be issued for more than ~~three (3)~~ six (6) consecutive months. After ~~six (6)~~ three (3) consecutive months of estimating the customer's bill, the

utility shall secure an accurate reading of the meter. Failure on the part of the customer to comply with a reasonable request for meter access may lead to discontinuance of service.

(b) A utility or billing entity may not render a bill based on estimated usage if:

- (1) the billing would be the customer's first or final bill for service if the customer requests an actual meter read;
- (2) the customer has supplied meter readings to the utility; or
- (3) the customer has requested an actual meter read.

(c) When a utility or billing entity renders an estimated bill in accordance with this article, the utility or billing entity shall maintain accurate records of the reasons therefor and efforts made to secure an actual reading.

(d) When a utility underestimates a customer's usage, the customer shall be given the opportunity to make payment arrangements as provided in this rule.

(e) A utility may estimate a bill because a meter malfunctioned or failed. If the time when the meter malfunction or error began cannot be reasonably determined to have occurred within a specific billing period, the corrected billings shall not exceed the most recent six (6) months before the discovery of the malfunction or error. If the time when the malfunction or error began can be reasonably determined, the corrected billings shall go back to that time but shall not exceed twelve (12) months.

(f) This section shall not apply to rural electric membership corporations. (*Indiana Utility Regulatory Commission; 170 IAC 4-1.2-10*)

SECTION 2. 170 IAC 5-1.2 IS ADDED TO READ AS FOLLOWS:

Rule 1.2. Gas Customer Service Rights and Responsibilities

170 IAC 5-1.2-1 Applicability and scope

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2

Sec. 1. (a) This rule applies to any gas public utility that is now, or may hereafter be, engaged in the business of rendering service to the public under the jurisdiction of the commission.

(b) This rule creates the minimum level of service that a utility is expected to meet when providing reasonable quality gas utility services to the public and to establish the obligations of both the utility and the customer.

(c) No utility shall discriminate against or penalize a customer for exercising any right granted by this rule. If a utility's tariff on file with the commission contains provisions that conflict with this rule, this rule shall supersede any conflicting tariff provisions.

(d) Any utility subject to this rule that fails to meet the standards herein shall be subject to all legal remedies provided by law. Upon complaint or its own motion and after notice and hearing, the commission may order lawful enforcement mechanisms against a public utility that fails to meet the requirements or standards established in this rule. Nothing in this rule shall prevent the commission from exercising any authority it may have under applicable law to enforce this rule in the event any public utility fails to comply.

(e) The adoption of this rule shall in no way preclude the commission, upon complaint by a customer, upon its own motion or upon the petition of any utility or the office of the utility consumer counselor, after notice and hearing, from taking any of the following actions:

- (1) Altering or amending this rule in whole or in part.

- (2) Requiring any other or additional service, equipment, facility, or standard.
- (3) Making such modifications with respect to the application of this rule as may be found necessary to meet exceptional conditions.
- (4) Requiring a utility to comply with any other service standards.
- (5) At its sole discretion, granting, in whole or in part, permanent or temporary waivers from this rule on an expedited basis.

The adoption of this rule shall not in any way relieve any utility from any of its duties under the law of this state or rules and orders of the commission.

(f) If any provision of this rule is determined by competent authority to be prohibited or unenforceable, the provision shall be ineffective to the extent of the prohibition or unenforceability without invalidating the remaining provisions hereof. (*Indiana Utility Regulatory Commission; 170 IAC 5-1.2-1*)

170 IAC 5-1.2-2 Definitions

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-1

Sec. 2. The following definitions apply throughout this rule:

- (1) "Applicant" means any person or designated agent who seeks to become a customer for residential gas utility service.
- (2) "Commission" means the Indiana utility regulatory commission.
- (3) "Customer" means any person who requests and obtains residential utility service and is responsible for the payment of charges, compliance with filed tariffs, and rules of the utility.
- (4) "Disconnection" means the termination or discontinuance of utility service.
- (5) "Late payment charge" means the one-time penalty assessed by a utility on a customer's account when the account becomes delinquent.
- (6) "Residential service" means gas utility service for household purposes that is billed under a residential rate.
- (7) "Utility" or "public utility" means any public utility (as defined in IC 8-1-2-1) that furnishes gas service to the public under the jurisdiction of the commission.

(*Indiana Utility Regulatory Commission; 170 IAC 5-1.2-2*)

170 IAC 5-1.2-3 Creditworthiness guidelines

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2

Sec. 3. (a) A utility shall determine the creditworthiness of an applicant or customer in an equitable and nondiscriminatory manner:

- (1) without regard to:
 - (A) race;
 - (B) color;
 - (C) creed;
 - (D) religion;
 - (E) national origin;
 - (F) sex;
 - (G) marital status;
 - (H) receipt of public assistance; or
 - (I) the economic character of the area wherein the applicant or customer resides; and
- (2) solely upon the credit risk of the individual applicant or customer without regard to the:
 - (A) collective credit reputation of the area in which he or she lives; and
 - ~~(B) credit history of any other individual residing in the household or the applicant or customer's spouse.~~

(b) A utility may require a residential service applicant or customer to satisfactorily establish his or her

financial responsibility (creditworthiness). The utility may require a deposit or other reasonable guarantor to secure payment of bills before providing utility service if the applicant or customer is not deemed creditworthy due to any of the following circumstances:

(1) The applicant or customer does not meet or exceed the predetermined minimum credit score selected by the utility using a credit scoring system as provided in the utility's tariff.

(2) The applicant or customer has failed to pay for past due gas service furnished to him or her at the same or at another address within the past four (4) years.

(3) The applicant was a household member during a period which all or part of a delinquent service account was accrued by another household member who currently resides with the applicant, if, at the time of the request for service, the account remains unpaid.

(c) A bill for one (1) class of service (such as commercial) shall not be transferred to a bill for another class of service (such as residential), nor shall a bill for one (1) form of utility service (such as gas) be transferred to a bill for another form of utility service (such as electric). Utility service shall not be denied for nonpayment of bills for merchandise or other nonutility or unregulated services.

(d) Utilities shall treat customers who have filed bankruptcy under federal law in accordance with the protective provisions of 11 U.S.C. 366, effective October 22, 1994. (*Indiana Utility Regulatory Commission; 170 IAC 5-1.2-3*)

170 IAC 5-1.2-4 Deposits

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2; IC 32-34-1

Sec. 4. (a) If the applicant or customer fails to establish that he or she is creditworthy under section 3 of this rule, the applicant or customer may be required to make a reasonable deposit. The deposit shall not exceed ~~one-sixth (1/6) of two times the estimated peak monthly annual billings~~ for regulated utility service at the address at which service is rendered to the applicant or customer and shall be paid in full before establishment of service, subject to the provisions of section 6 of this rule; provided, however, that a deposit shall be based upon estimated regulated gas service charges only. If a deposit is greater than one hundred fifty dollars (\$150), the utility shall advise the applicant or customer simultaneously with making a demand for a deposit that the applicant or customer may pay the deposit in equal installment payments over a period of no fewer than three (3) months, and service shall be connected upon receipt by the utility of the first payment. For example, if the total deposit required by a utility under this section is one hundred eighty dollars (\$180), the applicant or customer could make three (3) payments of sixty dollars (\$60) over a three (3) month period, and service would be connected after the first sixty dollar (\$60) payment. The applicant or customer shall not be required to make any advanced payments in addition to or in lieu of a deposit required by this rule in order to receive service. An initial deposit made by a customer shall be subject to reevaluation upon the request of either the utility or the customer, based upon actual charges for services rendered, at any time after service has been provided.

(b) The utility may elect to accept a written guarantee, signed by a third party guarantor acceptable to the utility within its discretion, of payment for all utility service rendered or requested to be rendered to the applicant or customer. The guarantor may terminate the guarantee upon thirty (30) days prior written notice. The guarantee shall be in full force and effect up to and including the date the guarantee shall terminate, and the guarantor shall be obligated, as provided in the written guarantee, respecting the payment of the amount of the applicant or customer's bill on the date of termination. A guarantee shall terminate when the customer submits satisfactory payment for a period of ten (10) out of any twelve (12) consecutive months.

(c) If the utility requires a deposit or a written guarantee as a condition of providing service, the utility shall advise the applicant or customer of the reason upon which the utility bases its decision and provide the applicant or customer with an opportunity to rebut the facts and show other facts demonstrating creditworthiness.

(d) A utility may require an existing customer to make a reasonable deposit, or an additional deposit in cases

where a deposit has been made and exhausted under this rule, under any of the following circumstances:

- (1) The customer has been mailed disconnect notices for two (2) consecutive months.
- (2) The customer has been mailed disconnect notices for any three (3) months within the preceding twelve (12) month period.
- (3) The service to the customer has been disconnected within the past forty-five (45) days for nonpayment.

In such cases, notice of the need for a deposit shall be in writing, and the customer shall be given ten (10) business days from the mailing date of the notice within which to make the deposit. When the service has been disconnected within the past four (4) years under section 5 of this rule, the deposit shall be provided before the service will be reconnected. The total amount of all deposits required for service under this section may not exceed an amount equal to one-sixth ($\frac{1}{6}$) ~~(CLAY need changed)~~ of the annualized two times the estimated monthly peak regulated utility charges to the customer at the address at which service is rendered.

(e) Requirements for interest upon a deposit shall be as follows:

- (1) A deposit held more than thirty (30) days shall earn interest from the date of deposit. Beginning on the effective date of this rule, the rate of interest shall be set by the commission based upon the then existing rate for one (1) year United States Treasury Constant Maturity securities. The interest rate shall be rounded to the nearest one-half ($\frac{1}{2}$) of one percent (1%). In December of each year, the commission shall issue a general administrative order establishing the interest rate for the next calendar year that shall be paid on all deposits held during all or part of the subsequent year.
- (2) The deposit shall not earn interest after the date it is mailed or personally delivered to the customer, or otherwise lawfully disposed of as provided in subsection (f)(6).

(f) Requirements for refunds shall be as follows:

- (1) Any deposit and accrued interest shall be promptly refunded to the customer without the customer's request when the customer submits satisfactory payment ten (10) out of any twelve (12) consecutive months without late payment.
- (2) A statement of accounting for each transaction affecting the deposit and interest shall accompany refunds of deposits or accrued interest issued under this section.
- (3) Following a customer requested termination of service, the utility shall do the following:
 - (A) Apply the deposit, plus accrued interest, to the final bill.
 - (B) Refund any remaining deposit and accrued interest within fifteen (15) business days after payment of the final bill.
- (4) A utility shall maintain a record of each applicant or customer making a deposit that shows the following:
 - (A) The name of the customer.
 - (B) The current mailing address of the customer.
 - (C) The amount of the deposit.
 - (D) The date the deposit was made.
 - (E) A record of each transaction affecting the deposit.
- (5) Each customer shall be provided a written receipt from the utility at the time the customer's deposit is paid in full or any time the customer makes a partial payment. The utility shall provide a reasonable method by which a customer, who is unable to locate his or her receipt, may establish that he or she is entitled to a refund of the deposit and payment of interest thereon.
- (6) Any deposit made by the applicant or customer to the utility (less any lawful deductions to be refunded), or any sum the utility is ordered to refund for gas service that has remained unclaimed for one (1) year after the utility has made a diligent effort to locate the customer who made the deposit or the heirs of the customer, shall be presumed abandoned and treated in accordance with IC 32-34-1 et seq.

(g) A deposit may be used by the utility to cover any unpaid balances owed the utility following disconnection of utility service, provided, however, that any surplus be returned to the customer as provided in this section.

(h) A deposit shall not be applied to satisfy an applicant or customer's bill, prior arrearage, or outstanding indebtedness that is greater than four (4) years old; however, a utility may pursue the unpaid balances via

collections or other means provided by applicable law.

(i) At the end of every year of service, if the deposit plus interest is not refunded to the customer, the utility shall automatically refund the accrued interest on the deposit to the customer by crediting the customer's account and stating this credit clearly on the customer's next regular bill.

(j) A customer who fails to pay a bill by the time specified by the regulations of the utility and commission regarding the prompt payment of bills, and who further fails to pay the bill within a reasonable period after presentation of a disconnection of service notice for nonpayment, may be required to pay the bill and to reestablish credit by making a deposit under this rule.

(k) Establishment of credit by deposit shall not relieve a customer from complying with the commission's rules for prompt payment of bills. (*Indiana Utility Regulatory Commission; 170 IAC 5-1.2-4*)

170 IAC 5-1.2-5 Disconnection and prohibited disconnections

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-122

Affected: IC 8-1-2-4

Sec. 5. (a) Requirements for disconnection upon a customer's request are as follows:

(1) The customer shall notify the utility at least three (3) business days in advance of the day disconnection is desired. The customer shall remain responsible for all service used and the billing therefor until the date the customer has requested disconnection pursuant to the notice.

(2) Upon request by a customer to a utility to disconnect service in fewer than three (3) business days, the utility shall disconnect the service within three (3) business days of the request. The customer shall not be liable for any service rendered to the address after the expiration of the three (3) days.

(3) The customer shall not charge service or authorize the charging of service to any account that has been disconnected at the customer's request or otherwise. A customer shall be responsible for any services he or she charges or authorizes charged to the disconnected account in violation of the prohibition in this subdivision.

(b) Requirements for disconnection without a customer's request are as follows:

(1) A utility may disconnect service without request by the customer of the service and without prior notice only:

(A) if a condition dangerous or hazardous to life, physical safety, or property exists;

(B) upon order by any court, the commission or other duly authorized public authority;

(C) if fraudulent or unauthorized use of service is detected and the utility has reasonable grounds to believe the affected customer is responsible for the use;

(D) if the utility's equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for the tampering; or

(E) if the utility's equipment is used in a manner disruptive to the service of other customers.

(2) A utility may disconnect service to a customer based on a delinquent account with the same class of service (such as residential service) for that customer.

(3) A utility may disconnect service to a customer for failure to satisfy a deposit charge pursuant to Sec. 4.

(4) A utility may disconnect service to a customer where there is a current member of the customer's household who currently resides with the customer that has not paid a delinquent account for service that is owed by the member of the customer's household, if the customer lived at the same residence served by the utility at the time that all or part of the debt was incurred by the member of the customer's household.

(c) Requirements for prohibited disconnections are as follows:

(1) Except as otherwise provided in subsections (a) and (b), a utility shall postpone the disconnection of gas service for thirty (30) days if, before the disconnect date specified in the disconnect notice, the customer provides the utility with a medical statement from a licensed physician or public health official that states that disconnection would be a serious and immediate threat to the health and safety of a designated person in the

household of the customer. The postponement of disconnection shall be continued for one (1) additional ten (10) day period upon the provision of an additional medical statement to the utility. The utility shall be required to provide the customer a total of forty (40) days postponement of disconnection for medical reasons under this subsection only once in any twelve (12) month period per household. Further postponement of disconnection may be made at the utility's discretion.

(2) A utility may not disconnect gas service to the customer for any of the following reasons:

(A) Nonpayment of any nonutility or unregulated utility services.

(B) Upon the customer's failure to pay for services to a previous occupant of the premises being served unless the utility has reasonable grounds to believe that the customer is attempting to defraud the utility.

(C) ~~On the basis of the delinquent character of an account of any other person, except if the customer is the guarantor of that other person's account for gas service.~~

(D) ~~If the customer makes payment arrangements under section 6 of this rule.~~

(E) If a customer is unable to pay a bill that is unusually large due to prior incorrect billing, incorrect application of the rate schedule, prior estimates where no actual reading was taken for over two (2) months, or any human or mechanical error of the utility, and the customer:

(i) makes a payment arrangement in accordance with the guidelines set forth in section 6 of this rule; and

(ii) agrees to pay all undisputed future bills for gas service as they become due, provided, however, that the utility may not add to the outstanding bill any late fee and, provided further, that the payment arrangement agreement in item (i) and this item shall be put in writing by the utility and sent by mail transmitted to the customer.

(d) No utility may disconnect service unless the disconnecting is done between the hours of 8 a.m. and 3 p.m., prevailing local time. Disconnections under subsections (a) and (b) are not subject to this limitation. The utility may not disconnect service for nonpayment:

(1) on any:

(A) Friday after noon;

(B) Saturday;

(C) Sunday; or

(D) other day the utility's offices are not open for business; or

(2) after noon on any day immediately before a day the utility's office are not open for business.

(e) Requirements for notice required before involuntary disconnection are as follows:

(1) Except as otherwise provided in this section, service to any customer shall not be disconnected for a violation of any rule of the utility or for nonpayment of a bill, except after fourteen (14) days from the postmark transmission date of a written notice sent to the customer at the address shown on the records of the utility or the notice is personally served upon the customer or a responsible member of the customer's household. No disconnect notice for nonpayment may be rendered before the date on which the account becomes delinquent.

(2) The disconnection notice shall be in language that is clear, concise, and easily understandable to a layperson and shall state, in separately numbered large print paragraphs, the following information:

(A) The date of the proposed disconnection.

(B) The specific reason and factual basis for the proposed disconnection.

(C) The telephone number of the utility office at which the customer may call during regular business hours to question the proposed disconnection or seek information concerning the customer's rights.

(D) ~~The local and toll-free telephone numbers and office hours of the commission.~~

(E) ~~That the customer may refer to the pamphlet furnished under 170 IAC 5-1-18 for information as to the customer's rights, which shall include the following i.~~

(F) Information as to the customer's rights, under this rule, including, but not limited to, the following:

(i) That the customer may obtain a temporary waiver of disconnection for a serious illness or medical emergency under subsection (c).

(ii) That the customer may file a complaint with the utility.

(iii) That if the complaint is not resolved by the utility to the customer's satisfaction, the customer may file a complaint with the commission.

(iv) That the customer may make payment arrangements under section 6 of this rule.

(v) The local and toll-free telephone numbers and office hours of the commission.

(f) Utility employees conducting disconnections of service shall follow the following procedures:

(1) Immediately preceding the actual disconnection of service, the employee of the utility designated to perform the function shall make a reasonable attempt to identify himself or herself to the customer or any other responsible person then upon the premises and shall announce the purpose of his or her presence and shall make a record thereof to be maintained for at least thirty (30) days.

(2) The employee shall have in his or her possession information sufficient to enable the employee to inform the customer or other responsible person the reason for the disconnection, including the amount of any delinquent bill of the customer, and shall request from the customer any available verification that the outstanding bill has been satisfied or is currently in dispute and under review by the utility or the commission. Upon the presentation of such credible evidence, service shall not be disconnected.

(3) The employee shall not be required to accept payment from the customer, user, or other responsible person in order to prevent the service from being disconnected. The utility shall notify the customers under 170 IAC 5-1-18 of its policy with regard to the acceptance or nonacceptance of payment from the employee and shall uniformly follow the policy without discrimination.

(4) When the employee has disconnected the service, the employee shall give to a responsible person at the customer's premises, or if no one is at home, shall leave at a conspicuous place on the premises, a notice stating that service has been disconnected and stating the address and telephone number of the utility where the user may arrange to have service reconnected.

(g) If a utility disconnects service in violation of this rule, the service shall immediately be restored at no charge to the customer. (*Indiana Utility Regulatory Commission; 170 IAC 5-1.2-5*)

170 IAC 5-1.2-6 Payment arrangements and reconnection of service

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-121; IC 8-1-2-122

Affected: IC 8-1-2; IC 32-34-1-20

Sec. 6. (a) Except in cases where fraudulent or unauthorized use of utility service is detected and the utility has reasonable grounds to believe the customer is responsible for the use, when a residential customer cannot pay an undisputed bill or the undisputed portion of a disputed bill in full, the utility shall continue to serve the customer ~~or reconnect the customer if the customer and the utility agree on a reasonable portion of the outstanding bill to be paid immediately.~~ The manner in which the balance of the outstanding bill will be paid (the "payment arrangement") shall be made in accordance with the following guidelines:

(1) The customer shows just cause for his or her inability to pay (financial hardship shall constitute just cause), and the customer pays a reasonable portion of the amount, not to exceed one-third ($\frac{1}{3}$) of all amounts due (unless the customer agrees to a greater portion) and the customer:

(A) agrees to pay:

(i) the balance of all amounts due in equal monthly installments over a period of not more than three (3) months; and

(ii) all undisputed future bills for utility service as they become due; and

(B) has not breached any similar agreement with the utility made under this section in the last twelve (12) months.

(2) In deciding on the reasonableness of a particular payment arrangement, the utility shall consider the following:

(A) The customer's ability to pay.

(B) The size of the unpaid balance.

(C) The customer's payment history and length of service.

(D) The amount of time the debt has been and the reasons why the debt is outstanding.

(3) The payment arrangement shall provide the customer with adequate opportunity to apply for and receive the benefits of any available public assistance program.

(4) The payment arrangement is subject to amendment upon the mutual agreement between the utility and the customer's request if there is a change in the customer's financial circumstances.

(5) The utility may add to the outstanding bill a late payment charge not to exceed the amount set under 170 IAC 5-1-13(B); however, only one (1) late payment charge may be assessed against the charges applicable to any given month.

(b) The terms of any payment arrangement made under this section shall be put in writing by the utility and sent by mail transmitted to the customer.

(c) If the customer does not meet any of the conditions in subsection (a), the utility may, but is not obligated to, enter into subsequent payment arrangements with the customer.

(d) The utility shall reconnect service to a customer as soon as reasonably possible but at least within one (1) working day after the utility is requested to do so if the customer has satisfied the requirements of this rule.

(e) A utility may charge a reasonable reconnection charge not to exceed the charge approved by the commission in the utility's filed tariffs. A utility shall inform its customers of the reconnection fee under 170 IAC 5-1-18.

(f) Notwithstanding any other provision of this rule, from December 1 to March 15 of any year, any customer of any gas utility shall be reconnected as soon as possible upon:

(1) paying twenty percent (20%) of the amount past due;

(2) paying twenty percent (20%) of any deposit required by the utility; and

(3) entering into a payment arrangement for the balance of past due amounts.

The utility shall allow the customer a minimum of three (3) months or until March 15, whichever is later, to retire the past due balance and the remainder of the deposit. The customer shall also be informed that payment on the amounts past due and the deposit, if any, plus the current bills must be paid by the due date or the customer may face termination of service, subject to the winter moratorium described in section 7(b) of this rule.

(g) No later than September 15 of each year, every public utility shall conduct a survey of all customers whose gas service was used to provide or control the primary source of space heating in the dwelling and whose gas service was terminated for nonpayment of a bill or deposit from December 1 of the previous year to September 1 of the current year and where service at that premises has not been restored. Not later than October 15 of each year, the utility shall notify each of these customers that the gas service will be restored by the company for the coming heating season if the former customer contacts the utility and makes arrangements to pay the past due balance and any deposit required by the utility under the conditions set forth in this rule. A utility shall notify the former customer or an adult member of the household by personal visit, telephone contact, or mailing of a letter by first class mail to the last known address of that customer. The utility shall keep records that indicate the date, form, and results of the contact. The commission may request the utility to report the results of customer contacts made under this subsection. *(Indiana Utility Regulatory Commission; 170 IAC 5-1.2-6)*

170 IAC 5-1.2-7 Home energy assistance; disconnection of service to recipients; notice period

Authority: IC 8-1-1-3; IC 8-1-2-34.5; IC 8-1-2-121; IC 8-1-2-122

Affected: IC 12-14-11

Sec. 7. (a) Without a customer's request, a utility may not, during the period from December 1 through March 15, disconnect gas residential service to any customer who either is:

(1) receiving; or

(2) eligible for and has applied for;

assistance under IC 12-14-11.

(b) During the period from December 1 through March 15, a utility may not disconnect service to such

customers if:

- (1) the customer's eligibility to receive benefits under IC 12-14-11 is being determined by the division of family and children or its designee after the submission of a complete application for benefits by the customer; or
- (2) the customer has furnished to the utility proof of his or her application to receive such benefits or the utility has been so notified in writing by the division of family and children or its authorized representative.

(c) This section does not prohibit a utility from terminating residential gas service upon the request of a customer or under any of the following circumstances:

- (1) If a condition dangerous or hazardous to life, physical safety, or property exists.
- (2) Upon order by any court, the commission or other duly authorized public authority.
- (3) If fraudulent or unauthorized use of service is detected and the utility has reasonable grounds to believe the affected customer is responsible for the use.
- (4) If the utility's equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for the tampering.
- (5) If the utility's equipment is used in a manner disruptive to the service of other customers.

(Indiana Utility Regulatory Commission; 170 IAC 5-1.2-7)

170 IAC 5-1.2-8 Customer complaints to the utility

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2

Sec. 8. (a) An applicant or customer may complain at any time to a utility about any bill, security deposit, disconnection notice, or any other matter relating to installation or service and may request a conference with the utility thereon. The complaints may be made in person, by telephone, in writing, or by completing a written or electronic form available from the utility. A complaint shall be considered filed upon receipt by the utility, except mailed complaints shall be considered filed two (2) calendar days after the postmark date. In making a complaint or request for conference, the applicant or customer shall state, at a minimum, his or her name, service address, telephone number, and the general nature of his or her complaint.

(b) Upon receiving each such complaint or request for conference, the utility shall take the following actions:

- (1) Immediately notify a customer that any undisputed portion of a bill shall be paid by the date due in order to avoid disconnection of service in accordance with section 5 of this rule.
- (2) Promptly, thoroughly, and completely investigate the complaint in good faith, attempt to confer with the applicant or customer when requested, and notify the applicant or customer of the utility's proposed disposition of the complaint. During the investigation, no collection action shall be taken for items that are being disputed, and there shall be no negative impact on the applicant or customer's credit rating.
- (3) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any service that is the subject matter of the complaint while investigating the complaint or making a good faith attempt to resolve the complaint.
- (4) Charges that are disputed by the customer shall not be treated as delinquent while an investigation is pending.
- (5) After investigation, the utility may rebill the disputed charges in the next billing cycle if the investigation determined that the charges were appropriate; however, the utility shall not assess any late payment charge that may have accrued while the investigation was pending.
- (6) If the utility's proposed disposition is not in the applicant or customer's favor, the utility shall notify the applicant or customer of the disposition in writing if the complaint was made in writing. If the utility's proposed disposition is not in the applicant or customer's favor, the utility shall notify the applicant or customer in writing or orally, if the complaint was made orally. The notification shall include contact information for the commission, including the commission's mailing address, toll-free complaint number, and local telephone number. A utility shall direct its personnel engaged in contact with an applicant or customer to inform the applicant or customer, if he or she expresses dissatisfaction with the decision of the personnel, of the right to have the problem considered and acted upon by supervisory personnel of the utility. A utility shall further

direct the supervisory personnel to notify the applicant or customer who expresses dissatisfaction with the decision of the supervisory personnel of the right to have the problem reviewed by the commission's consumer affairs division and shall furnish him or her the business address and telephone number of the commission. The notification shall advise the applicant or customer that if he or she is dissatisfied with the utility's disposition, the applicant or customer may, within twenty-one (21) days, file a complaint with the commission's consumer affairs division (under section 9 of this rule). The payment of a deposit as requested by the utility shall not foreclose or in any manner affect the applicant or customer's right to appeal under IC 8-1-2-34.5 or other applicable law.

(c) If at any time the applicant or customer files a complaint with the commission regarding a dispute with a utility, the procedures set forth in section 9 of this rule shall apply. Any disconnection of the applicant or customer's service shall be governed by section 5 of this rule.

(d) A utility shall retain a written record of complaints and requests for conferences for at least eighteen (18) months after the complaint or request for conference is made. The records shall be maintained at the office or branch office of the utility or in the respective department office thereof where the complaints were received or any conferences were subsequently held. The written records are to be readily available upon request by the:

- (1) concerned applicant or customer;
- (2) applicant or customer's agent possessing written authorization; or
- (3) commission.

(e) A utility shall, at the request of the commission, submit a report covering the previous twelve (12) month period to the commission that shall state and classify the following:

- (1) The number of complaints made to the utility under this rule.
- (2) The general nature of the subject matter thereof.
- (3) How the complaint was received.
- (4) Whether a commission review was conducted thereon.

(Indiana Utility Regulatory Commission; 170 IAC 5-1.2-8)

170 IAC 5-1.2-9 Customer complaints to the commission

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-88

Sec. 9. (a) An individual or entity may informally complain to the commission's consumer affairs division with respect to any matter within the jurisdiction of the commission. The complaints may be made in person, by telephone, in writing, or by completing a written or electronic form available from the consumer affairs division. A complaint shall be considered filed upon receipt by the commission, except mailed complaints shall be considered filed as of the postmark date. In making a complaint, the applicant or customer shall state, at a minimum, the following:

- (1) His or her name.
- (2) The service address.
- (3) His or her telephone number.
- (4) The name of the utility involved.
- (5) The general nature of his or her complaint.

(b) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any service that is the subject matter of the complaint while any commission review or investigation of the complaint is pending. The applicant or customer shall continue to pay all undisputed charges. In those instances when the applicant or customer and the utility cannot agree as to what portion of a bill is undisputed, the applicant or customer shall pay on the disputed bill an amount equal to the applicant or customer's average bill for the twelve (12) months immediately preceding the disputed bill. In those cases where the applicant or customer has received fewer than twelve (12) bills, the applicant or customer shall pay an amount equal to one-twelfth ($\frac{1}{12}$) of the

estimated annual billing for service to be rendered to the applicant or customer.

(c) If the applicant or customer is dissatisfied with a utility's notice of the utility's proposed disposition of the complaint as provided in section 8 of this rule, the applicant or customer may, within ~~twenty-one (21)~~ fourteen (14) days after the ~~postmark~~ transmission date of the notice, file an informal complaint with the commission's consumer affairs division.

(d) Upon receiving an informal complaint, the following actions shall be taken:

(1) The utility shall be notified that a complaint has been made.

(2) The complaint shall be investigated and decision shall be made within seven (7) days.

(3) The applicant or customer and the utility shall be notified of the decision made on the complaint in accordance with applicable law.

(e) Requirements for an informal review are as follows:

(1) The applicant or customer or the utility may make a written request that a decision made under subsection (d) be reviewed informally by the consumer affairs director or designee. The written request shall be made within fourteen (14) days of the decision. The records of the commission relating to the reviews shall be kept in a systematic order.

(2) Upon receiving a request for an informal review, the consumer affairs director or designee shall provide an informal review within fourteen (14) days ~~a timely manner~~. The review shall consist of not less than a prompt and thorough investigation of the dispute and shall result in a written decision to be ~~mailed~~ transmitted to the applicant or customer and the utility. Upon request by either party or the consumer affairs director or designee, the parties shall be required to meet and confer to the extent and at a place the consumer affairs director or designee considers appropriate.

(f) The applicant or customer may make a written request that the commission investigate the disposition of the informal review. The written request shall be made within ~~fourteen~~ twenty (20) days of the consumer affairs division's notice of disposition. Before entering an order upon a commission investigation, the commission shall afford the applicant or customer and the utility notice and an opportunity to be heard.

(g) Without the applicant or customer's permission, the utility shall not disconnect, remove, or restrict any disputed service until at least ~~fourteen~~ twenty (20) days have elapsed from the ~~postmark~~ transmission date of the consumer affairs division's disposition or the commission's order upon investigation, if any.

(h) The time frames provided in this section may be extended at the discretion of the consumer affairs division. *(Indiana Utility Regulatory Commission; 170 IAC 5-1.2-9)*

170 IAC 5-1.2-10 Estimated bills

Authority: IC 8-1-1-3; IC 8-1-2-34.5

Affected: IC 8-1-2-4

Sec. 10. (a) Each estimated bill shall be clearly and conspicuously identified as such. Unless otherwise requested by a customer, or unless reasonable access is not provided, estimated bills shall not be issued for more than ~~threesix (36)~~ three (3) consecutive months. After ~~threesix (36)~~ three (3) consecutive months of estimating the customer's bill, the utility shall secure an accurate reading of the meter. Failure on the part of the customer to comply with a reasonable request for meter access may lead to discontinuance of service.

(b) A utility or billing entity may not render a bill based on estimated usage if:

(1) the billing would be the customer's first or final bill for service if the customer requests an actual meter read;

(2) the customer has supplied meter readings to the utility; or

(3) the customer has requested an actual meter read.

(c) When a utility or billing entity renders an estimated bill in accordance with this article, the utility or billing entity shall maintain accurate records of the reasons therefor and efforts made to secure an actual reading.

(d) When a utility underestimates a customer's usage, the customer shall be given the opportunity to make payment arrangements as provided in this rule.

(e) A utility may estimate a bill because a meter malfunctioned or failed. If the time when the meter malfunction or error began cannot be reasonably determined to have occurred within a specific billing period, the corrected billings shall not exceed the most recent six (6) months before the discovery of the malfunction or error. If the time when the malfunction or error began can be reasonably determined, the corrected billings shall go back to that time but shall not exceed twelve (12) months. *(Indiana Utility Regulatory Commission; 170 IAC 5-1.2-10)*